

SECTION 128. (a) Notwithstanding any general or special law in a city, town, district, or authority which accepts the provisions of this subsection, the appropriation for fiscal year 2004 and 2005 for the unfunded portion of said city or town's unfunded pension liability may be less than the amount required by the funding schedule adopted pursuant to this section or subsection 6A of section 22 or pursuant to a special act; provided, however, that in no event may the appropriation for such year be less than the normal cost component of the appropriation required by such schedule nor shall said appropriation be reduced by an amount more than the amount by which said city or town was reduced in local aid payments, either in the aggregate or only the amounts appropriated for the purposes of lottery aid and additional assistance in the aggregate, received pursuant to section 3 of chapter 184 of the acts of 2002, as further reduced pursuant to section 3 of chapter 26 of the acts of 2003. No city or town shall implement the provisions of this section without the approval of the department of revenue and the public employee retirement administration commission; and furthermore, no municipality may implement the provisions of this section if it has available a special statutory emergency reserve that requires at least a balance of 2.5% of prior year non-school departmental appropriations and said balance is fully unexpended.

(b) The decision to accept the provisions of this section shall be made by both the executive and legislative bodies of the governmental unit in which the employees are members of the system. For purposes of this subsection, "executive body" shall mean the mayor in a city, the board of selectmen in a town or whoever is designated as such by a city or town charter, and "legislative body" shall mean the city council in a city, the town meeting in a town or the town council in a city or town that has a council form of government. A notice from the retirement board shall be provided to the respective legislative body notifying them of the option. Included in the notice shall be a summary of the existing funding schedule setting forth the normal cost and the amortization component of fiscal year 2004 and fiscal year 2005 appropriations and a description of the estimated impact of reducing that appropriation on future appropriations. This notice shall be submitted on or before the fifteenth day after the acceptance of this section.

(c) Upon notification by the clerk of the legislative body of the amount so appropriated, the retirement board shall notify the actuary who shall issue a revised appropriation letter in accordance with paragraph (c) of subsection (7) of said section 22 of said chapter 32. Notwithstanding any general or special law to the contrary, the amount of the reduction in the appropriation resulting from the acceptance of this section shall be expended solely for the direct benefit of the employees and retirees of the governmental unit who are members of the system.

(d) In any city, town, district, or authority which accepts the provisions of this subsection, the retirement board of said system, shall, on or before January 1, 2004, submit to the actuary a revised funding schedule that incorporates the impact of reducing the appropriation for fiscal year 2004 and 2005; provided however that, notwithstanding the provisions of this section or any general or special law, said revised schedule and any future updates thereto may be designed to reduce the unfunded actuarial liability of said

system to 0 no later than 1 year after said fully funded due date if 1 year is taken, but in no case shall the due date extend beyond June 30, 2028.

(e) In a city, town, district, or authority, the employees of which are members of a county or regional system, the retirement board of said system shall provide the notice of the option to adopt this subsection. In any such system in which the appropriation is allocated in accordance with the proportion that the aggregate of the annual rates or regular compensation of all members of such system who are employees of any such governmental unit bears to the total of all such aggregates for all such members of such system, the actuary shall provide the retirement board with an estimate of the normal cost component of the appropriation and the amortization component of the appropriation required by such city or town for fiscal year 2004 and fiscal year 2005.